

# CHAPTER 8

## The Six-Column Work Sheet

### Study Guide

#### Section Assessment

**Section 1** Read Section 1 on pages 196–199 and complete the following exercises on page 200.

- Reinforce the Main Idea
- Do the Math
- Problem 8-1 Entering Account Balances on the Work Sheet
- Problem 8-2 Analyzing a Source Document

**Section 2** Read Section 2 on pages 201–206 and complete the following exercises on page 207.

- Reinforce the Main Idea
- Do the Math
- Problem 8-3 Extending Amounts Across the Work Sheet

#### Chapter Assessment

**Summary** Review the Chapter 8 Summary on pages 208–209 in your textbook.

- Key Concepts

**Review and Activities** Complete the following questions and exercises on page 210 in your textbook.

- Check Your Understanding
- Apply Key Terms

**Computerized Accounting** Read the Computerized Accounting information on page 211 in your textbook.

- Making the Transition from a Manual to a Computerized System
- Peachtree Q&A
- QuickBooks Q&A

**Problems** Complete the following End-of-Chapter Problems for Chapter 8 in your textbook.

- Problem 8-4 Preparing a Six-Column Work Sheet
- Problem 8-5 Preparing a Six-Column Work Sheet
- Problem 8-6 Preparing a Six-Column Work Sheet
- Problem 8-7 Preparing a Six-Column Work Sheet
- Problem 8-8 Completing the Work Sheet

#### Challenge Problem

**Winning Competitive Events** Complete the exercises on page 215 in your textbook.

**Real-World Applications and Connections** Complete the following applications on pages 216–217 in your textbook.

<input type="checkbox"/> Critical Thinking	<input type="checkbox"/> Skills Beyond Numbers
<input type="checkbox"/> Case Study	<input type="checkbox"/> International Accounting
<input type="checkbox"/> A Matter of Ethics	<input type="checkbox"/> Making It Personal
<input type="checkbox"/> Communicating Accounting	

## Working Papers for Section Problems

### Problem 8-1 Entering Account Balances on the Work Sheet (textbook p. 200)

Account Name	Classification	Trial Balance	
		Debit	Credit
Store Equipment	Asset	X	
Rent Expense			
Service Fees Revenue			
Accounts Payable—Rubino Supply			
Scott Lee, Capital			
Advertising Expense			
Accounts Receivable—John Langer			
Scott Lee, Withdrawals			
Maintenance Expense			
Office Supplies			

### Problem 8-2 Analyzing a Source Document (textbook p. 200)

1. Which company shipped the supplies? \_\_\_\_\_
2. Which company ordered the supplies? \_\_\_\_\_
3. On what date were the supplies received? \_\_\_\_\_
4. What does one box of file folders cost? \_\_\_\_\_
5. How many ring binders were ordered? \_\_\_\_\_
6. What is the invoice number? \_\_\_\_\_

### Problem 8-3 Extending Amounts Across the Work Sheet (textbook p. 207)

Account Name	Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit
Store Equipment			X	
Rent Expense				
Service Fees Revenue				
Accounts Payable—Rubino Supply				
Scott Lee, Capital				
Advertising Expense				
Accounts Receivable—John Langer				
Scott Lee, Withdrawals				
Maintenance Expense				
Office Supplies				

## Working Papers for End-of-Chapter Problems

### Problem 8-4 Preparing a Six-Column Work Sheet (textbook p. 212)

ACCT. NO.	ACCOUNT NAME	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET		
		DEBIT		CREDIT		DEBIT		
		1	2	3	4	5	6	
1								1
2								2
3								3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22

**Problem 8-5 Preparing a Six-Column Work Sheet** (textbook p. 212)

ACCT. NO.	ACCOUNT NAME	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1							1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24

Analyze:

**Problem 8-6 Preparing a Six-Column Work Sheet** (textbook p. 213)

ACCT. NO.	ACCOUNT NAME	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1							1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26

Analyze:

**Problem 8-7 Preparing a Six-Column Work Sheet** (textbook p. 214)

ACCT. NO.	ACCOUNT NAME	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							

Analyze:

**Problem 8-8 Completing the Work Sheet** (textbook p. 214)**Job Connect**  
**Work Sheet****For the Month Ended May 31, 20—**

ACCT. NO.	ACCOUNT NAME	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1 101	<b>Cash in Bank</b>	<b>1 897 200</b>				<b>1 897 200</b>	
2 105	<b>Accts. Rec.—CompuRite Systems</b>	<b>76500</b>				<b>76500</b>	
3 110	<b>Accts. Rec.—Marquez Manuf.</b>	<b>90800</b>				<b>90800</b>	
4 113	<b>Accts. Rec.—Roaring Rivers</b>	<b>126800</b>					
5 115	<b>Accts. Rec.—Melanie Spencer</b>	<b>8600</b>			<b>8600</b>		
6 120	<b>Training Class Supplies</b>	<b>41300</b>			<b>41300</b>		
7 125	<b>Office Supplies</b>	<b>306100</b>					
8 130	<b>Office Equipment</b>	<b>471900</b>					
9 135	<b>Office Furniture</b>	<b>199600</b>					
10 140	<b>Computer Equipment</b>	<b>938200</b>					
11 201	<b>Accts. Pay.—Micro Solutions Inc.</b>			<b>301900</b>		<b>301900</b>	
12 205	<b>Accts. Pay.—Vega Internet Svcs.</b>			<b>839700</b>		<b>528400</b>	
13 207	<b>Accts. Pay.—Wildwood Furniture</b>			<b>528400</b>		<b>4150000</b>	
14 301	<b>Richard Tang, Capital</b>			<b>4150000</b>			
15 302	<b>Richard Tang, Withdrawals</b>	<b>150000</b>					
16 303	<b>Income Summary</b>						
17 401	<b>Placement Fees Revenue</b>			<b>338500</b>			
18 405	<b>Technology Classes Revenue</b>			<b>760000</b>			
19 501	<b>Advertising Expense</b>			<b>217400</b>			
20 505	<b>Maintenance Expense</b>			<b>138500</b>			
21 510	<b>Miscellaneous Expense</b>			<b>20600</b>			
22 520	<b>Rent Expense</b>			<b>410000</b>			
23 530	<b>Utilities Expense</b>			<b>28600</b>			
24						<b>28600</b>	
25	<b>Net Income</b>						
26							
27							

## Notes

# Peachtree Guide

## Step-by-Step Instructions

### What You'll Learn Using Peachtree

When you have completed this chapter, you will be able to use Peachtree to:

1. Print a General Ledger Trial Balance report.
2. Verify the information on a General Ledger Trial Balance.

### **Problem 8-5 Preparing a Six-Column Work Sheet**

#### INSTRUCTIONS

##### *Begin a Session*

**Step 1** Select the problem set for Hot Suds Car Wash (Prob. 8-5).  
**Step 2** Rename the company and set the system date to May 31, 2010.

##### *Prepare a Report and Proof Your Work*

**Step 3** Print a General Ledger Trial Balance report.



**TIP:** You can access the General Ledger Trial Balance report using **General Ledger**.

**Step 4** Review the General Ledger Trial Balance report. Verify that the debit/credit column totals are the same. The total debits/credits should be \$49,862.

##### *Analyze Your Work*

**Step 5** Complete the Analyze activity.

##### *End the Session*

**Step 6** Click the **Close Problem** button in the Glencoe Smart Guide window.

Use the report design button to widen the Account Description column on the General Ledger Trial Balance report. Print a revised report.



### **Problem 8-6 Preparing a Six-Column Work Sheet**

#### INSTRUCTIONS

##### *Begin a Session*

**Step 1** Select the problem set for Kits & Pups Grooming (Prob. 8-6).  
**Step 2** Rename the company and set the system date to May 31, 2010.

##### *Prepare a Report and Proof Your Work*

**Step 3** Print a General Ledger Trial Balance report.

#### Notes

Some of the longer account names may be shortened (or cut off) on the General Ledger Trial Balance to fit in the space available.

**TIP:**

Choose **General Ledger** from the **Reports** menu to print a General Ledger Trial Balance.

*Analyze Your Work*

**Step 4** Complete the Analyze activity.

*End the Session*

**Step 5** Click the **Close Problem** button in the Glencoe Smart Guide window and select a save option as directed by your teacher. Click **OK**.

## Problem 8-7 Preparing a Six-Column Work Sheet

**INSTRUCTIONS***Begin a Session*

**Step 1** Select the problem set for Outback Guide Service (Prob. 8-7).

**Step 2** Rename the company and set the system date to May 31, 2010.

*Prepare a Report and Proof Your Work*

**Step 3** Print a General Ledger Trial Balance report.

*Analyze Your Work*

**Step 4** Complete the Analyze activity.

*End the Session*

**Step 5** Click the **Close Problem** button in the Glencoe Smart Guide window and select a save option as directed by your teacher. Click **OK**.

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## FAQs

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**Does Peachtree include an option to print a six-column work sheet?**

No, Peachtree does not provide an option to print a work sheet. The program allows you to print an Income Statement and a Balance Sheet. To print an Income Statement, a Statement of Changes in Owner's Equity, or a Balance Sheet, choose the **Financial Statements** option from the **Reports** menu.

# QuickBooks Guide

## Step-by-Step Instructions

### ***What You'll Learn Using QuickBooks***

When you have completed this chapter, you will be able to use QuickBooks to:

1. Print a Trial Balance report.
2. Verify the information on a Trial Balance.

### **Problem 8-5 Preparing a Six-Column Work Sheet**

#### **INSTRUCTIONS**

##### *Begin a Session*

**Step 1** Launch the **QuickBooks® Pro 2005** software.  
**Step 2** Restore Problem 8-5.QBB file.

##### *Prepare a Report and Proof Your Work*

**Step 3** Print a Trial Balance report as of May 31, 2010.



**TIP:** You can print the Trial Balance report by selecting **Accountant & Taxes** from the **Reports** menu or by using the **Reports** navigator.

**Step 4** Review the Trial Balance report. Verify that the Debit and Credit column totals are the same. The totals of each column should be \$49,862.

##### *Analyze Your Work*

**Step 5** Complete the Analyze activity.

##### *End the Session*

**Step 6** It is recommended that you back up your work for this session.

Display a Trial Balance report. Use the diamond markers on the Debit and Credit columns to increase their width by approximately one inch. Print a revised report.



#### **DO YOU HAVE A QUESTION?**

**Q.** Why does QuickBooks not include a six-column work sheet report?  
**A.** The six-column work sheet is a convenient way to manually proof your work and prepare an income statement and balance sheet. When using accounting software like QuickBooks, the program automatically generates these financial statements. A six-column work sheet is not needed to prepare these reports.

## Problem 8-6 Preparing a Six-Column Work Sheet

### INSTRUCTIONS

#### *Begin a Session*

- Step 1 Launch the **QuickBooks® Pro 2005** software.
- Step 2 Restore Problem 8-6.QBB file.

#### *Prepare a Report and Proof Your Work*

- Step 3 Print a Trial Balance report as of May 31, 2010.

### Notes

Some of the longer account names may be shortened (or cut off) on the Trial Balance to fit in the space available.



**TIP:** Choose **Accountant & Taxes** from the **Reports** menu. Then select **Trial Balance**.

#### *Analyze Your Work*

- Step 4 Complete the Analyze activity.

#### *End the Session*

- Step 5 It is recommended that you back up your work for this session.

### FAQs

#### **Does QuickBooks include an option to print a six-column work sheet?**

No, QuickBooks does not provide an option to print a work sheet. The program allows you to print a Profit & Loss report and a Balance Sheet. To print a Profit & Loss report or a Balance Sheet, choose **Company & Financial** from the **Reports** menu.

# Spreadsheet Guide

## Step-by-Step Instructions

### Problem 8-4 Preparing a Six-Column Work Sheet

Complete the Spreadsheet

- Step 1** Read the instructions for Problem 8-4 in your textbook. This problem involves preparing a six-column work sheet for Wilderness Rentals.
- Step 2** Open the Glencoe Accounting: Electronic Learning Center software.
- Step 3** From the Program Menu, click on the **Peachtree Complete® Accounting Software and Spreadsheet Applications** icon.
- Step 4** Log onto the Accounting Management System by typing your user name and password.
- Step 5** Under the Problems and Tutorials tab, select template 8-4 from the Chapter 8 drop-down list. The template should look like the one shown below.

PROBLEM 8-4 PREPARING A SIX-COLUMN WORK SHEET						
(name)		(date)				
WILDERNESS RENTALS WORK SHEET FOR THE MONTH ENDED MAY 31, 20--						
ACCOUNT NUMBER	ACCOUNT NAME		TRIAL BALANCE		INCOME STATEMENT	BALANCE SHEET
			DEBIT	CREDIT	DEBIT	CREDIT
101	Cash in Bank				0.00	
105	Accounts Receivable - Helen Katz					0.00
110	Accounts Receivable - Polk and Co.					0.00
115	Office Supplies					0.00
120	Office Equipment					0.00
125	Camping Equipment					0.00
201	Accounts Payable - Adventure Equip. Inc.					0.00
203	Accounts Payable - Digital Tech Computers					0.00
205	Accounts Payable - Greg Mollaro					0.00
301	Ronald Hicks, Capital					0.00
305	Ronald Hicks, Withdrawals				0.00	
310	Income Summary		----	----	----	
401	Equipment Rental Revenue				0.00	
501	Advertising Expense				0.00	
505	Maintenance Expense				0.00	
515	Rent Expense				0.00	
525	Utilities Expense				0.00	
			0.00	0.00	0.00	0.00
					0.00	0.00
	Net Income				0.00	0.00
					0.00	0.00

- Step 6** Type your name and today's date in the cells containing the *(name)* and *(date)* placeholders.
- Step 7** The first account, **Cash in Bank**, has a month-end debit balance of \$5,814. Move the cell pointer to cell C14 and enter the account balance into the Trial Balance section of the spreadsheet template: **5814**.



**TIP:** It is not necessary to include a comma or the decimal point and two zeroes as part of the amount. The spreadsheet will automatically format the data as you type.

**Step 8** Type the remaining balances into the Trial Balance section of the spreadsheet template. When you have typed all of the balances, move the cell pointer into the Income Statement and Balance Sheet sections of the spreadsheet template. Notice that the amounts for the Income Statement and Balance Sheet are automatically entered. As you type the data into the Trial Balance section of the spreadsheet template, the program automatically calculates the remaining sections of the work sheet for you. The program also calculates the column totals and the net income for Wilderness Rentals.

**Step 9** Save the spreadsheet using the **Save** option from the **File** menu. You should accept the default location of the save, as this is handled by the management system.

**Step 10** Print the completed spreadsheet.



**TIP:** If your spreadsheet is too wide to fit on an 8½-inch wide piece of paper, you can change your print settings to print the worksheet *landscape*. Some spreadsheet applications also allow you to choose a "fit to page" option. This function will reduce the width and depth of the worksheet to fit on one page.

**Step 11** Exit the spreadsheet program.

**Step 12** In the Close Options window, select the location where you would like to save your work.

**Step 13** Complete the Analyze activity from your textbook for this problem.

#### What-If Analysis



**TIP:** Always save your work before performing What-If Analysis. It is not necessary to save your work after performing What-If Analysis unless your teacher instructs you to do so. If you are required to save your work after performing What-If Analysis, be sure to rename the spreadsheet to avoid saving over your original work.

If **Cash in Bank** were \$4,314 and **Rent Expense** were \$5,000, what would Wilderness Rentals' net income (or net loss) be?

## Problem 8-8 Completing the Work Sheet

### Complete the Spreadsheet

- Step 1** Read the instructions for Problem 8-8 in your textbook. This problem involves completing a six-column work sheet for Job Connect.
- Step 2** Open the Glencoe Accounting: Electronic Learning Center software.
- Step 3** From the Program Menu, click on the **Peachtree Complete® Accounting Software and Spreadsheet Applications** icon.
- Step 4** Log onto the Accounting Management System by typing your user name and password.
- Step 5** Under the Problems & Tutorials tab, select template 8-8 from the Chapter 8 drop-down list. The template should look like the one shown below.

PROBLEM 8-8 COMPLETING THE WORK SHEET						
(name)		(date)				
JOB CONNECT WORK SHEET FOR THE MONTH ENDED MAY 31, 20--						
ACCOUNT NUMBER	ACCOUNT NAME	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT
101	Cash in Bank	18,972.00				18,972.00
105	Accounts Receivable - CompuRite Systems	765.00				765.00
110	Accounts Receivable - Marquez Manufacturing		AMOUNT			908.00
113	Accounts Receivable - Roaring Rivers Water Park	1,268.00				AMOUNT
115	Accounts Receivable - Melanie Spencer		AMOUNT			86.00
120	Training Class Supplies		AMOUNT			413.00
125	Office Supplies	3,061.00				AMOUNT
130	Office Equipment	4,719.00				AMOUNT
135	Office Furniture		AMOUNT			19,960.00
140	Computer Equipment	9,382.00				AMOUNT
201	Accounts Payable - Micro Solutions, Inc.		AMOUNT			3,019.00
205	Accounts Payable - Vega Internet Services		AMOUNT			8,397.00
207	Accounts Payable - Wildwood Furniture		AMOUNT			5,284.00
301	Richard Tang, Capital		AMOUNT			41,500.00
302	Richard Tang, Withdrawals	1,500.00				AMOUNT
303	Income Summary	----	----	----	----	----
401	Placement Fees Revenue		3,385.00		AMOUNT	
405	Technology Classes Revenue		7,600.00		7,600.00	
501	Advertising Expense	2,174.00		2,174.00		
505	Maintenance Expense		AMOUNT	1,385.00		
510	Miscellaneous Expense		AMOUNT	206.00		
520	Rent Expense	4,100.00		AMOUNT		
530	Utilities Expense	286.00		286.00		
		46,227.00	10,985.00	4,051.00	7,600.00	41,104.00
	Net Income			3,549.00		3,549.00
				7,600.00	7,600.00	41,104.00
						61,749.00

- Step 6** Type your name and today's date in the cells containing the *(name)* and *(date)* placeholders.

- Step 7** The work sheet for Job Connect is given in the spreadsheet template. However, several amounts are missing from various columns. Calculate the missing amounts and type them in the cells containing the **AMOUNT** placeholders. For example, the first amount missing is the Trial Balance debit amount for Accounts Receivable—Marquez Manufacturing. By looking in the Balance Sheet debit column, you can see this amount is \$908.00. Type **908** in cell C16. Remember, it is not necessary to type a dollar sign or the decimal point and ending zeroes.

**Step 8** Type the remaining missing amounts into the work sheet. Notice that the template recalculates the column totals and the net income for Job Connect as you type the missing amounts.

**Step 9** Save the spreadsheet using the **Save** option from the **File** menu. You should accept the default location of the save as this is handled by the management system.

**Step 10** Print the completed spreadsheet.

**Step 11** Exit the spreadsheet program.

**Step 12** In the Close Options window, select the location where you would like to save your work.

**Step 13** Complete the Analyze activity from your textbook for this problem.